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FISCAL IMPACT REPORT

SPONSOR Kidd DATE TYPED 02-08-04 HB _____

SHORT TITLE Racetrack Revenue for Graduate Scholarships SB 511

ANALYST Neel

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY04	FY05			
	Negligible	Indeterminate	Recurring	General Fund
	Negligible	Indeterminate	Recurring	Graduate Student Scholarship Fund
	Negligible	Indeterminate	Recurring	Local Gov. Gross Receipts

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

NM Racing Commission

NM Gaming Control Board

No responses Received From:

Taxation and Revenue Department (TRD)

Commission on Higher Education (CHE)

SUMMARY

Synopsis of Bill

Senate Bill 511 creates a new fund, Graduate Student Scholarship Fund in the State Treasury, to be administered by the Commission on Higher Education. The fund is created in order to provide scholarships to New Mexico residents pursuing advance degrees at New Mexico public post-secondary educational institutions. The proposed graduate student scholarship fund shall receive the amount of net receipts attributable to the gaming tax paid by racetracks located in a

class B county with a population of greater than 50,000 and less than 80,000 with a net taxable value for property taxes of more than \$1 million. According to DFA's Local Government Division's Financial and Property Tax Data Fact Book 2000, this appears to apply only to Lea County and the new racetrack in Hobbs.

The scholarship fund will also receive the following taxes from a racetrack located in a class B county with a population of greater than 50,000 and less than 80,000 with a net taxable value for property taxes of more than \$1 million:

- A. the daily tax imposed by Section 60-1-8 NMSA 1978;
- B. one-fourth percent of the gross amount wagered on win, place and show and received as commission by a class A licensee pursuant to Subsection C of Section 60-1-10 NMSA 1978;
- C. the tax on gross amount wagered imposed by Section 60-1-15 NMSA 1978.

FISCAL IMPLICATIONS

Currently the exact opening date for the new Hobbs race track is uncertain. Without a precise opening date and historical figures on track revenues, it is difficult to ascertain a potential fiscal impact.

SN/dm:njw